



TRUE POSITION MANUFACTURING, LLC

Precision CNC Turning and Milling

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To: Members of the Finance Committee of the State of Connecticut Legislature

Our names are Richard Stathers and Jeffrey Stathers, co-owners of True Position Manufacturing, LLC. We are located in South Windsor, Connecticut. True Position is a precision machine shop specializing in the manufacturing of parts for the power generation, oil exploration and aerospace industries. We founded the company in 1999, in 1,500 square feet. In the last 10 years we have grown into 5,200 square feet, employing seven (7) full-time workers, as well as a part-time and summer student worker. In this period we have grown gross sales to nearly \$1.4 million.

We are writing to voice our strong opposition to several proposed tax bills which will seriously damage Connecticut's economy. These proposals will drastically affect business growth in this state, and will most definitely drive manufacturing companies from Connecticut. The increased cost of doing business in Connecticut, already one of the highest in the country, will force our company to seek another location out of the State of Connecticut. Specifically, we are opposed to HB-6350, HB-6349, HB 6350, SB-807 and SB-815.

As way of example of how HB-6350 would have impacted our growth, and therefore the number of new jobs we have created in this state, consider our expenditures for major machine tools, mostly CNC turning and milling machines. In the last 10 year period that expenditure exceeds \$750,000. In addition, we have annual expenditures for other manufacturing tooling which is approaching \$100,000 annually. Without the sales tax exemption, we would have had additional outlays of cash for taxes exceeding \$50,000. In all likelihood, this would have impacted our ability to purchase new CNC machine tools. Our typical CNC lathe or milling machine cost about \$125,000. With 20% cash required (the balance is financed), our cash outlay for each machine is about \$25,000. Without the sales tax exemption, we likely would have two fewer CNC machines, and a cut of two (2) full time employees. At a time where it is becoming MORE difficult to compete in the global economy (we compete with China and eastern European countries), manufacturers in Connecticut cannot afford additional tax burdens and costs specifically associated with doing business in Connecticut. Remember, this is a GLOBAL economy.

We strongly urge you to reject these proposals and to work with the business community to encourage economic growth and job creation in Connecticut. Otherwise, the doors you hear slamming will be businesses in Connecticut closing and relocating to more business friendly states.

Thank you.

Richard Stathers, Owner
True Position Manufacturing, LLC

Jeffrey Stathers, Owner
True Position Manufacturing, LLC